

Petroglyph Energy, Inc.
P.O. Box 607
Roosevelt, Utah 84066

September 14, 2000

Utah Division of Oil, Gas, & Mining
1594 West North Temple
Box 145801
Salt Lake City, UT 84114-5801

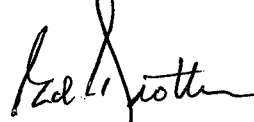
RE: APPLICATION FOR PERMIT TO DRILL
UTE TRIBAL #20-09
NE/SE, SEC. 20, T5S, R3W
DUCHESNE COUNTY, UTAH
LEASE NO.: BIA 14-20-H62-3515
UTE TRIBAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,



Ed Trotter
Agent
Petroglyph Energy, Inc.

Attachments

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DIVISION OF
OIL, GAS AND MINING

UDOGM-TRIBAL-POCI

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☐

b. TYPE OF WELL

Oil

Gas

Single

Multiple

Well ☐

Well ☐

Other

Zone ☐

Zone ☐

2. Name of Operator

PETROGLYPH ENERGY, INC.

3. Address and Telephone Number

P.O. BOX 607, ROOSEVELT, UT 84066 (435) 722-2531

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

1985' FSL & 655' FEL NE/SE

443183 N
564920 E

At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office

21.9 MILES SOUTHWEST OF MYTON, UTAH

15. Distance from proposed

location to nearest
property or lease line, ft.

655'

(Also to nearest drig. Unit line, if any)

18. Distance from proposed location
to nearest well, drilling, completed,
or applied for, on this lease, ft.

16. No. of acres in lease

640

19. Proposed depth

6212'

21. Elevations (show whether DF, RT, GR, etc.)

6203 FEET GRADED GROUND

5. Lease designation and serial number

BIA-14-20-H62-3515

6. If Indian, Allottee or Tribe name

UTE TRIBAL LAND

7. Unit Agreement Name

Antelope Creek

8. Farm or lease name, well no.

UTE TRIBAL

9. API Well No.

UT 20-09

10. Field and pool, or wildcat

ANTELOPE CREEK

11. Sec., T., R., M., or BLK.
and survey or area

SEC. 20, T5S, R3W

12. County or parish

UTAH Duchesne

13. State

UTAH

17. No. of acres assigned to this well

40

20. Rotary or cable tools

ROTARY

22. Approx. date work will start

OCTOBER 2000

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|------------------------------|
| 12 1/4" | 8 5/8" | 24# | 250' | 135 SX CLASS "G" + 2% |
| | | | | CaCl2 + 1/4 #/SX CELLOFLAKE. |
| 7 7/8" | 5 1/2" | 15.50# | 6212' | 50/50 POXMIX + 2% GEL + 10% |

SALT TO 400' ABOVE ALL ZONES
OF INTEREST (+10% EXCESS).
LIGHT CEMENT (11PPG+) +
LCM TO 200' ABOVE OIL SHALE
OR FRESH WATER INTERVALS
(+ 5% EXCESS).

SEE ATTACHMENTS FOR:

8 POINT PLAN

BOP SCHEMATIC

SURFACE USE AND OPERATING PLAN

LOCATION PLAT

LOCATION LAYOUT

TOPOGRAPHIC MAPS "A", "B", C AND "D"

PETROGLYPH ENERGY, INC. WILL BE THE
DESIGNATED OPERATOR OF THE SUBJECT WELL
UNDER BOND #BO 4556.

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

BUREAU OF INDIAN AFFAIRS, FORT DUCHESNE, UTAH

DIVISION OF
OIL, GAS AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

[Signature]

TITLE Agent

DATE

9-14-2000

(This space for Federal or State office use)

PERMIT NO.

43013-32195

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

[Signature]

TITLE

BRADLEY G. HILL
RECLAMATION SPECIALIST III

DATE

10/2/00

Federal Approval of this
Action is Necessary

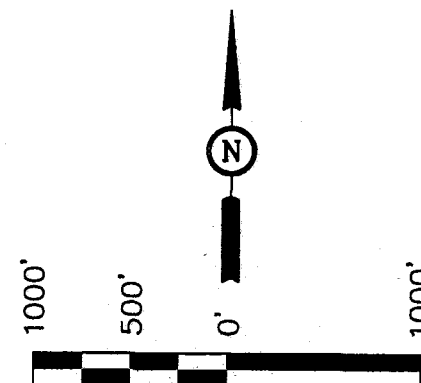
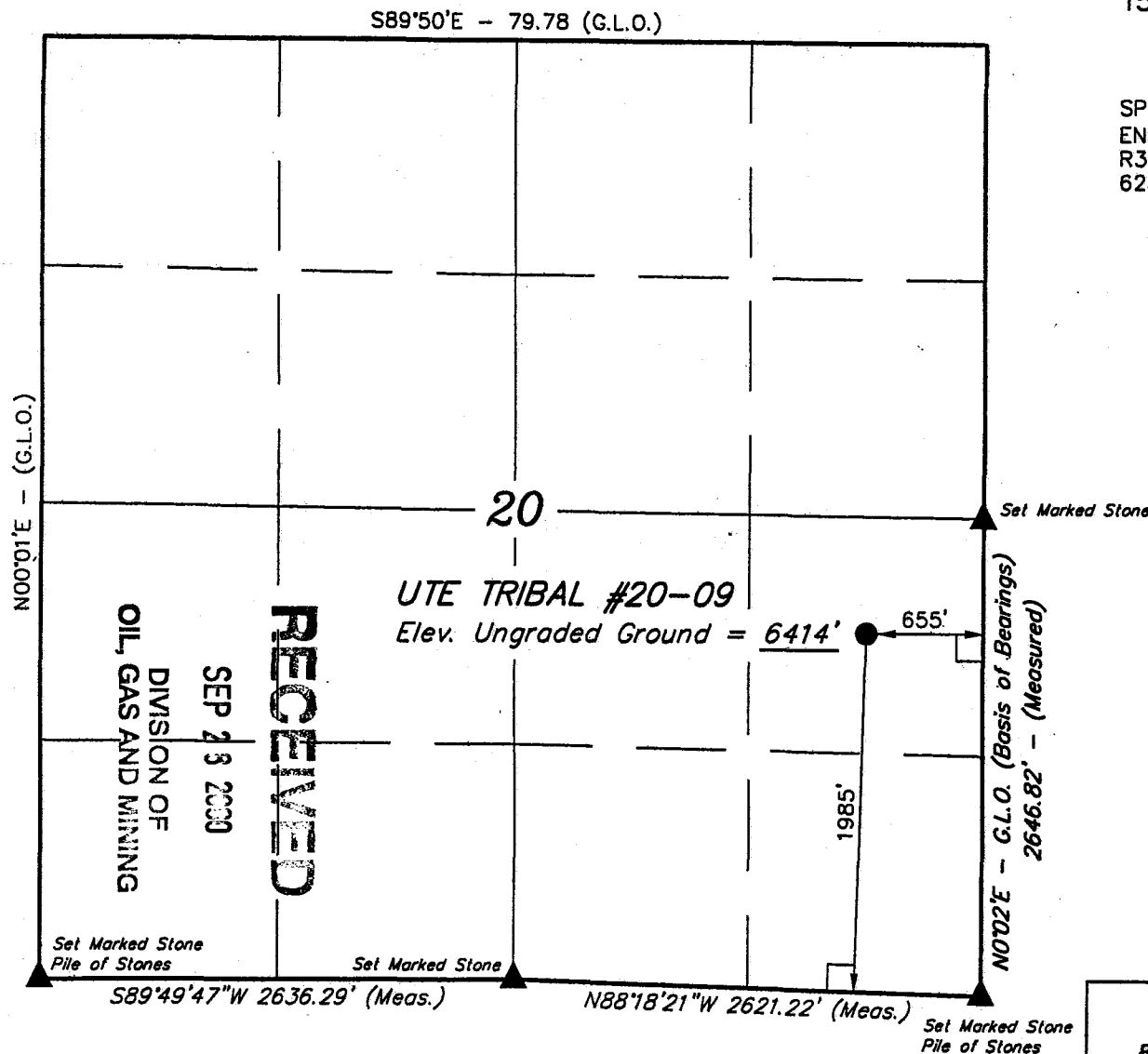
T5S, R3W, U.S.B.&M.

PETROGLYPH ENERGY, INC.

Well location, UTE TRIBAL #20-09, located as shown in the NE 1/4 SE 1/4 of Section 20, T5S, R3W, U.S.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A BRASS CAP SET BY SUNRISE ENGINEERING LOCATED IN THE SE 1/4 OF SECTION 16, T5S, R3W, U.S.B.&M. SAID ELEVATION IS MARKED AS BEING 6281.9 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR, UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 40°01'35"
LONGITUDE = 110°14'20"

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|--------------------------|---------------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 7-25-00 | DATE DRAWN: 8-18-00 |
| PARTY D.A. J.A. D.COX | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE PETROGLYPH ENERGY, INC. | |

EIGHT POINT PLAN
UTE TRIBAL #20-15
SW/SE, SEC. 20, T5S, R3W
DUCHESNE COUNTY, UTAH

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

| FORMATIONS | DEPTH | SUBSEA |
|---------------------------|--------------|---------------|
| Trona | 2792 | |
| Mahogany Shale | 2942 | |
| "B" Marker | 4028 | |
| "X" Marker | 4513 | |
| Douglas Creek | 4653 | |
| "B" Limestone | 5033 | |
| B/Castle Peak Limestone | 5593 | |
| Basal Carbonate Limestone | 6012 | |
| Wasatch | 6280 | |
| Total Depth | 6212 | |

Anticipated BHP 2000 psi

2. ESTIMATED DEPTHS OF ANTICIPATEE WATER, OIL, GAS OR MINERALS FORMATIONS:

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> | <u>Subsea</u> |
|-------------------------|-------------------------|---------------------|----------------------|
| Oil/Gas | Douglas Creek | 4653 | |
| Oil/Gas | B/Castle Peak | 5593 | |
| Other mineral zones | N/A | | |

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

| <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>LENGTH</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>MINIMUM SAFETY FACTOR</u> | | |
|-------------------------|------------------------|----------------------|--------------------|----------------------|---------------------|-------------------------------------|---------------------|-----------------------|
| | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| 12 1/4 | 0 - 250' | 250' | 8 5/8 | 24.0 # | J-55 | 1370 PSI | 2950 PSI | 263,000# |
| 7 7/8 | 0' - 6212' | 6212' | 5 1/2 | 15.5 # | M-50 | 3650 PSI | 4550 PSI | 186,000# |

All casing will be new or inspected.

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EIGHT POINT PLAN
UTE TRIBAL #20-09
NE/SE, SEC. 20, T5S,R3W
DUCHESNE COUNTY, UTAH

5. MUD PROGRAM

| <u>INTERVAL</u> | <u>MUD TYPE</u> |
|------------------------|--|
| 0' - 250' | Air |
| 250' - 4000' | Air/Mist & Aerated Water |
| 4000' - TD | Air/3% KCL water or KCL substitute |
| TD | Gel/polyacrylamide polymer w/5-10% LCM |

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

- A. Petroglyph Energy, Inc. requests a variance to regulations requiring a straight run blooie line.
- B. Petroglyph Energy, Inc. requests a variance to regulations requiring an automatic ignitor or
- C. continuous pilot light on the blooie line.

7. EVALUATION PROGRAM:

| | |
|---|--------------------------------|
| Logs: Mud Logging | T.D. to base of surface casing |
| Compensated Density-Compensated Neutron Log | T.D. to base of surface casing |
| Dual Laterlog - Micro-SFL | T.D. to base of surface casing |
| Numar (Magnetic Resonance Imaging Log) | @ Geologist's discretion |

Cores: None Programmed
DST: None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS:

None anticipated.

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EIGHT POINT PLAN

UTE TRIBAL #20-09
NE/SE , SEC. 20, T5S,R3W
DUCHESNE COUNTY, UTAH

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Clock
- C. Stabbing Valve
- D. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

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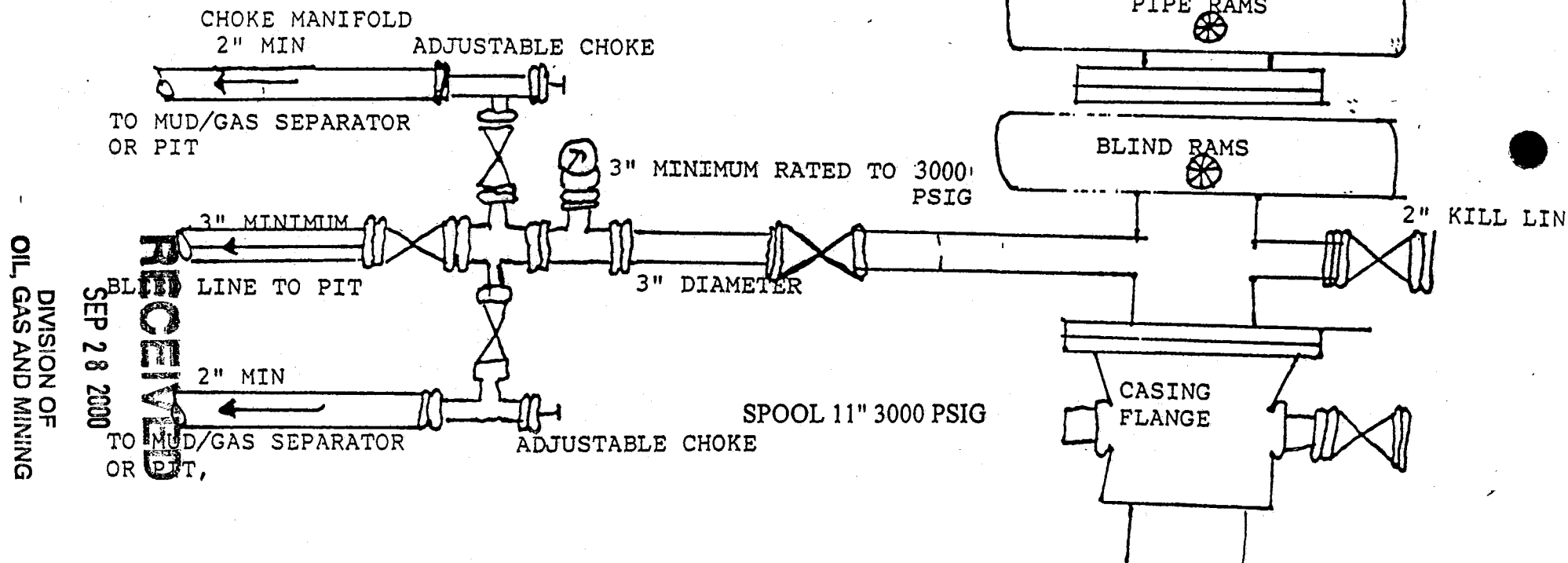
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3000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 RATED.
CASING FLANGE IS 11" 3000 PSIG RATED.
BOPE 11" 3000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig
3. Annular preventor will be tested to 50% of working pressure, 1500 psig
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOPE specifications.



**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator: Petroglyph Energy, Inc.
Well Name & Number: Ute Tribal # 20-04
Lease Number: BIA 14-20-H62-3515
Location: 1985' FSL & 655' FEL, NE/SE, Sec. 20, T5S, R3W,
U.S.B.&M., Duchesne County, Utah
Surface Ownership: Ute Indian Tribe

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice: - at least twenty-four (24) hours prior to spudding the well.

Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production Notice well - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

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THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 21.9 miles southwest of Myton, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.2 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way.

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent

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intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, Petroglyph Energy, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION**

- A. Water wells - None
- B. Abandoned wells - 3*
- C. Temporarily abandoned wells - None
- D. Disposal wells - None
- E. Drilling wells - None
- F. Producing wells - 13*
- G. Shut in wells - 1*
- H. Injection wells - None

(*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

- 1. Tank batteries - None
- 2. Production facilities - To be submitted later
- 3. Oil gathering lines - None
- 4. Gas gathering lines - None
- 5. Injection lines - None
- 6. Disposal lines - None
- 7. Surface pits - None

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 41/2" OD steel above ground production pipeline will be laid approximately 990' from proposed location to a point in the SE/SE of Section 20, T5S, R3W, where it will tie into Petroglyph Energy Inc.'s existing pipeline. Proposed pipeline crosses Ute Tribe lands, thus a Right-of -Way grant will be required. See attached TOPO Map "D" showing pipeline route.
- 3. Proposed pipeline will be a 4 1/2 " OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the east side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Desert Brown.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Target Trucking's Roosevelt Brine Storage and/or Target's water source in SE ¼, Sec. 1, T4S, R5W, Duchesne, Utah (State Water Right #43-10152). All water will come from a non-depletable source.
- B. Water will be hauled by a licensed Trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Ute Tribal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
- 4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90

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day period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval.

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

Burning of trash will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BIA administered land:

All reserve pits will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic nylon reinforced liner is used, it shall be torn and perforated after the pit dries and before backfilling of the reserve pit).

A 12 mill liner shall be installed in the reserve pit.

_____ To protect the environment:

If the reserve pit is lined, the operator will provide the BIA with a chemical analysis of the fluids in that pit no later than 90 days after the well completion to determine the method for final reclamation of the reserve pit. If the elemental concentrations shown by the chemical analysis exceeds the requirements described by Part II, Standards of Quality for Waters of the State, Wastewater Disposal Regulations, State of Utah Division of Health, the contents and liner will be removed and disposed of at an authorized disposal site.

_____ To protect the environment (without chemical analysis), reserve pits will be constructed so as not to leak, break, or allow discharge of liquids.

_____ Storage tanks will be used if drill sites are located on tribal irrigable land, flood plains, or on lands under crop production. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

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8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELLSITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the west side of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the east side of the location.

Access to the well pad will be from the south.

N/A Diversion ditch(es) shall be constructed on the

side of the location (above/below) the cut slope, draining to the _____.

N/A Soil compacted earthen berm(s) shall be placed on the

side(s) of the location between the _____.

N/A The drainage(s) shall be diverted around the sides of the well pad location.

N/A The reserve pit and/or pad locations shall be constructed long and narrow for topographic reasons _____.

X Corner #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.

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- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BIA or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on Tribal land, or any fence between Tribal land and private land, the operator will contact the BIA, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.

The reserve pit will be reclaimed within 120 days from the date of well completion (weather permitting). Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BIA will attach the appropriate surface rehabilitation conditions of approval.

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ON BIA ADMINISTERED LANDS:

Abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include: (a) reestablishing irrigation systems where applicable, (b) reestablishing soil conditions in irrigated fields in such a way as to ensure cultivation and harvesting of crops and, © ensuring revegetation of the disturbed areas to the specifications of the Ute Indian Tribe or the BIA at the time of abandonment.

11. SURFACE OWNERSHIP

Access road: Ute Indian Tribe

Location: Ute Indian Tribe

12. OTHER INFORMATION

A. Petroglyph Energy, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to: - whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, Petroglyph Energy, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BIA, or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

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- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

On BIA administered land:

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-Way authorization". All operators, subcontractors, vendors, and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.

If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the BIA before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, rights-of-way will be obtained from the other entity.

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, © that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products, and (e) only authorized personnel permitted. All well site locations on the Uintah and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footage or the quarter-quarter section, the section, township, and range).

Additional Surface Stipulations

- N/A No construction or drilling activities shall be conducted between _____ and _____ because of _____.
- N/A No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.
- N/A No construction or exploration activities are permitted within a 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.
- N/A There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).
- N/A No cottonwood trees will be removed or damaged.
- N/A Pond will be constructed according to BIA specifications approximately _____ feet _____ of the location, as flagged on the onsite.

RECEIVED

SEP 28 2000

**DIVISION OF
OIL, GAS AND MINING**

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

OPERATIONS

Victor Hein
P.O. Box 607
Roosevelt, UT 84066
(435)722-2531
(435)722-9145

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Petroglyph Energy, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The BIA office shall be notified upon site completion prior to moving on the drilling rig.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Petroglyph Energy, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

9-14-2000

Date

Ed Trotter
Agent

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SEP 28 2000

DIVISION OF
OIL, GAS AND MINING

PETROGLYPH ENERGY, INC.

UTE TRIBAL #20-09

LOCATED IN DUCHESNE COUNTY, UTAH
SECTION 20, T5S, R3W, U.S.B.&M.

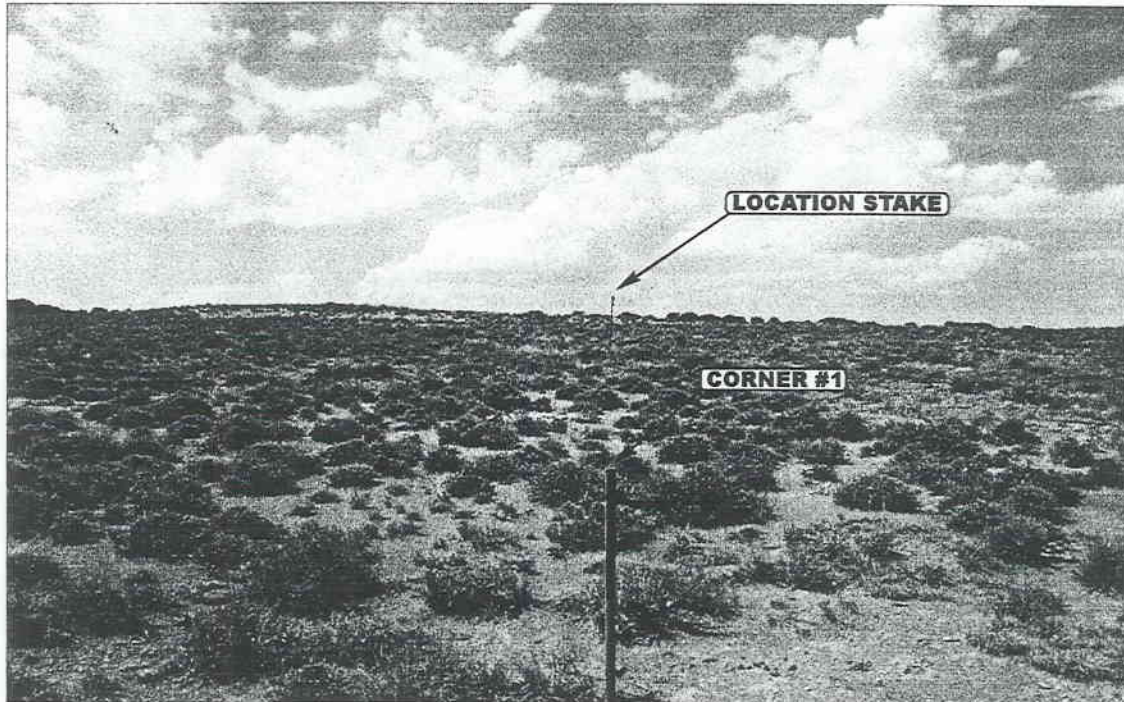


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

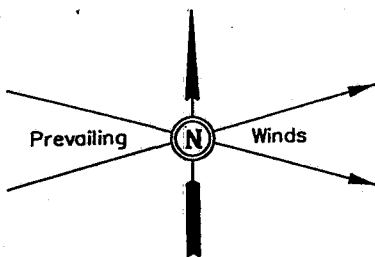
8 25 00
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: J.L.G.

REVISED: 00-00-00



PETROGLYPH ENERGY, INC.

LOCATION LAYOUT FOR

UTE TRIBAL #20-09
SECTION 20, T5S, R3W, U.S.B.&M.
1985' FSL 655' FEL

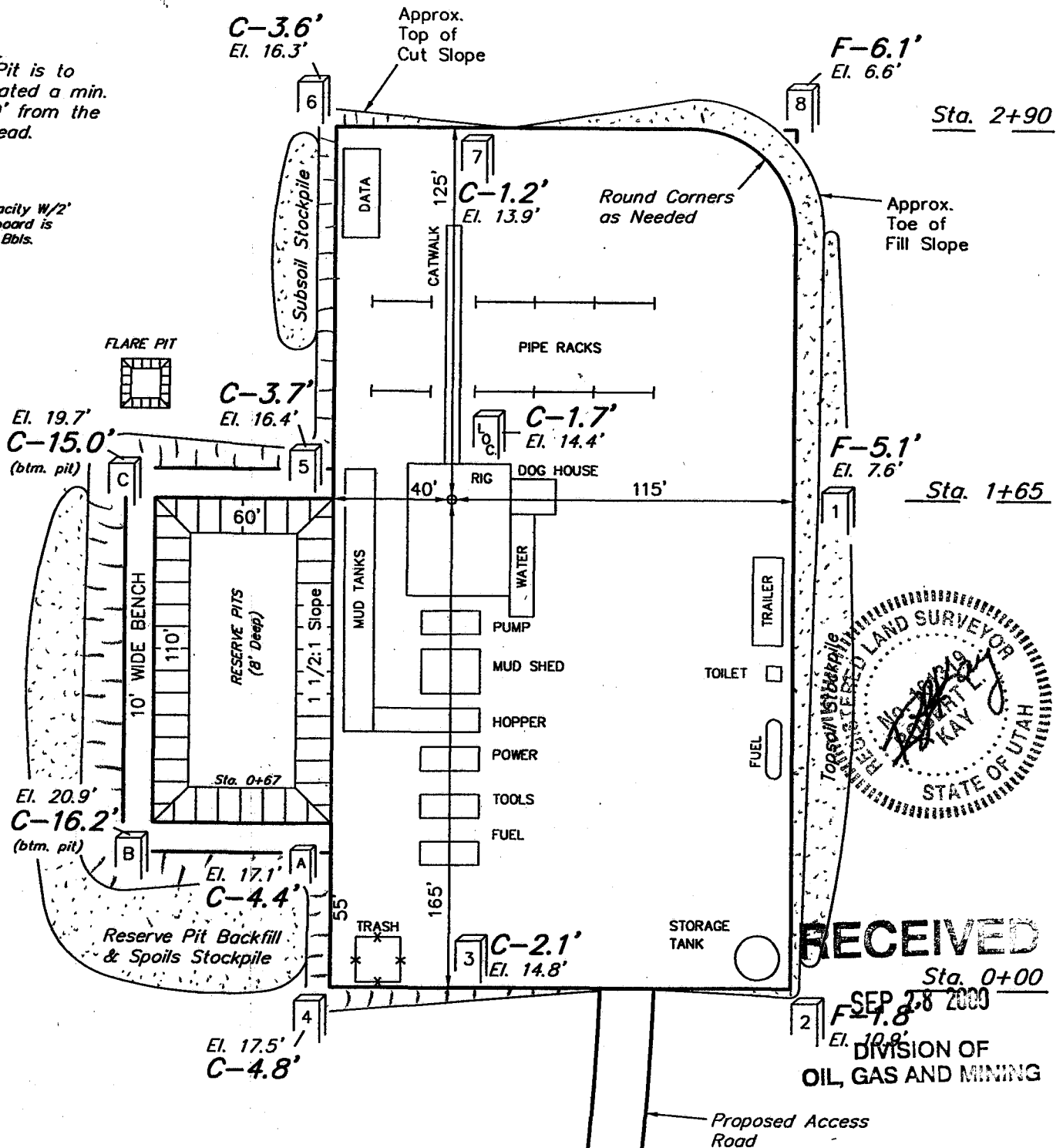
SCALE: 1" = 50'
DATE: 8-18-00
Drawn By: D.COX

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

NOTE:

Pit Capacity W/2' of Freeboard is $\pm 4,600$ Bbls.



Elev. Ungraded Ground at Location Stake = 6414.4'
Elev. Graded Ground at Location Stake = 6412.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

PETROGLYPH ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #20-09

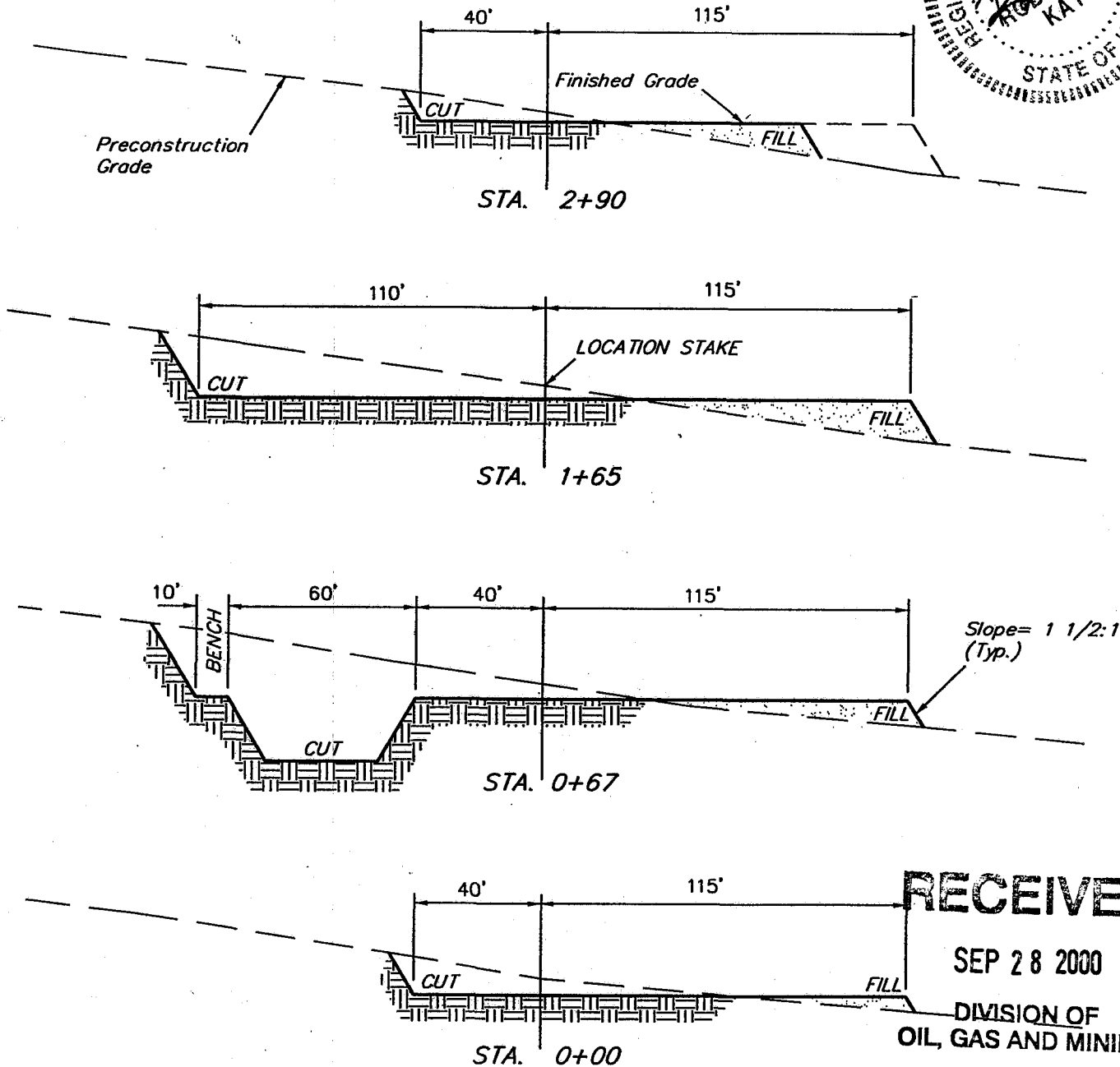
SECTION 20, T5S, R3W, U.S.B.&M.

1985' FSL 655' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 8-18-00

Drawn By: D.COX



RECEIVED

SEP 28 2000

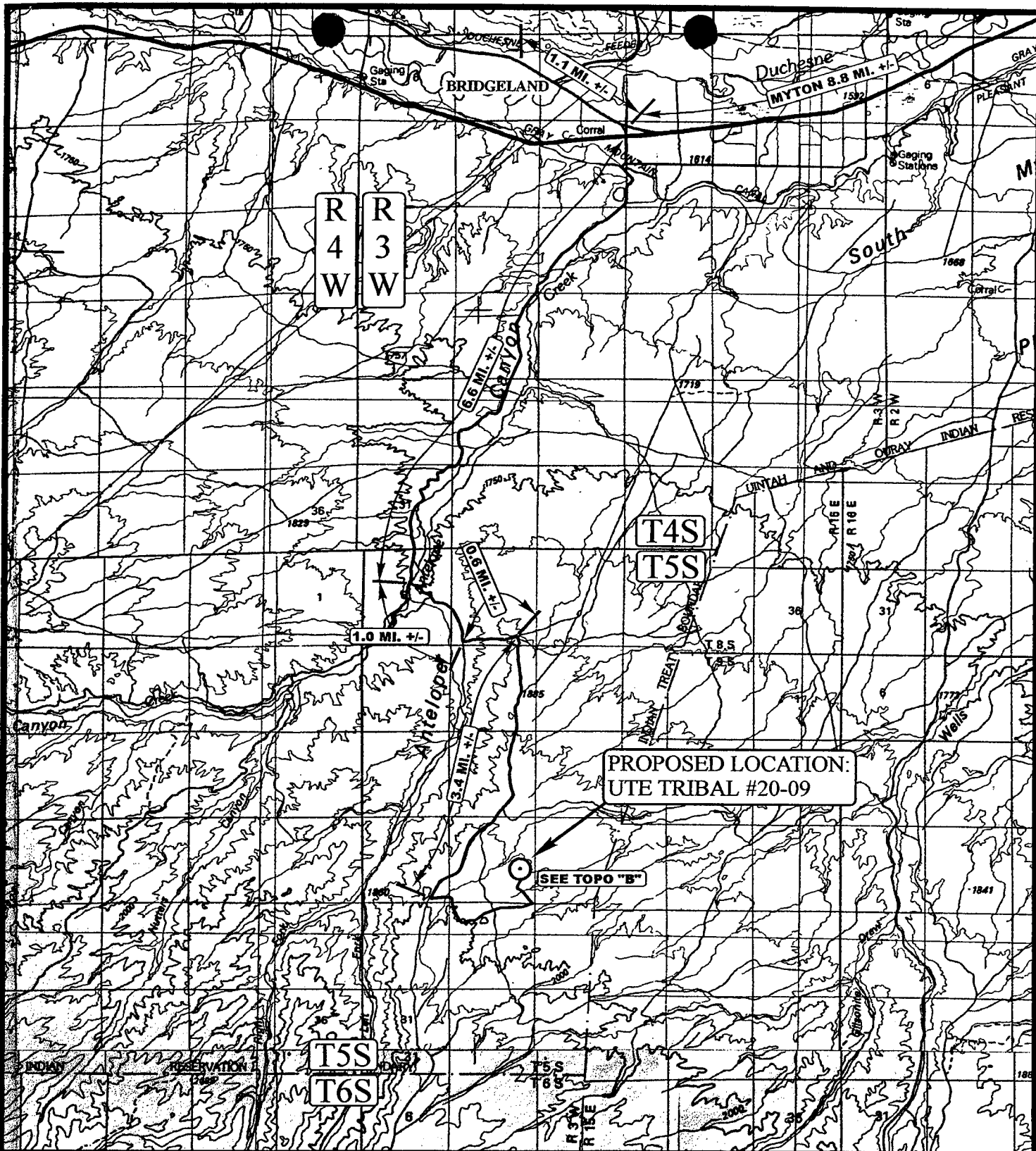
DIVISION OF
OIL, GAS AND MINING

APPROXIMATE YARDAGES

(12") Topsoil Stripping = 2,000 Cu. Yds.
Remaining Location = 4,280 Cu. Yds.
TOTAL CUT = 6,280 CU.YDS.
FILL = 3,400 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION = 2,700 Cu. Yds.
Topsoil & Pit Backfill
(1/2 Pit Vol.) = 2,700 Cu. Yds.
EXCESS UNBALANCE
(After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



LEGEND:

○ PROPOSED LOCATION

PETROGLYPH ENERGY, INC.

UTE TRIBAL #20-09

SECTION 20, T5S, R3W, U.S.B.&M.

1985' FSL 655' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

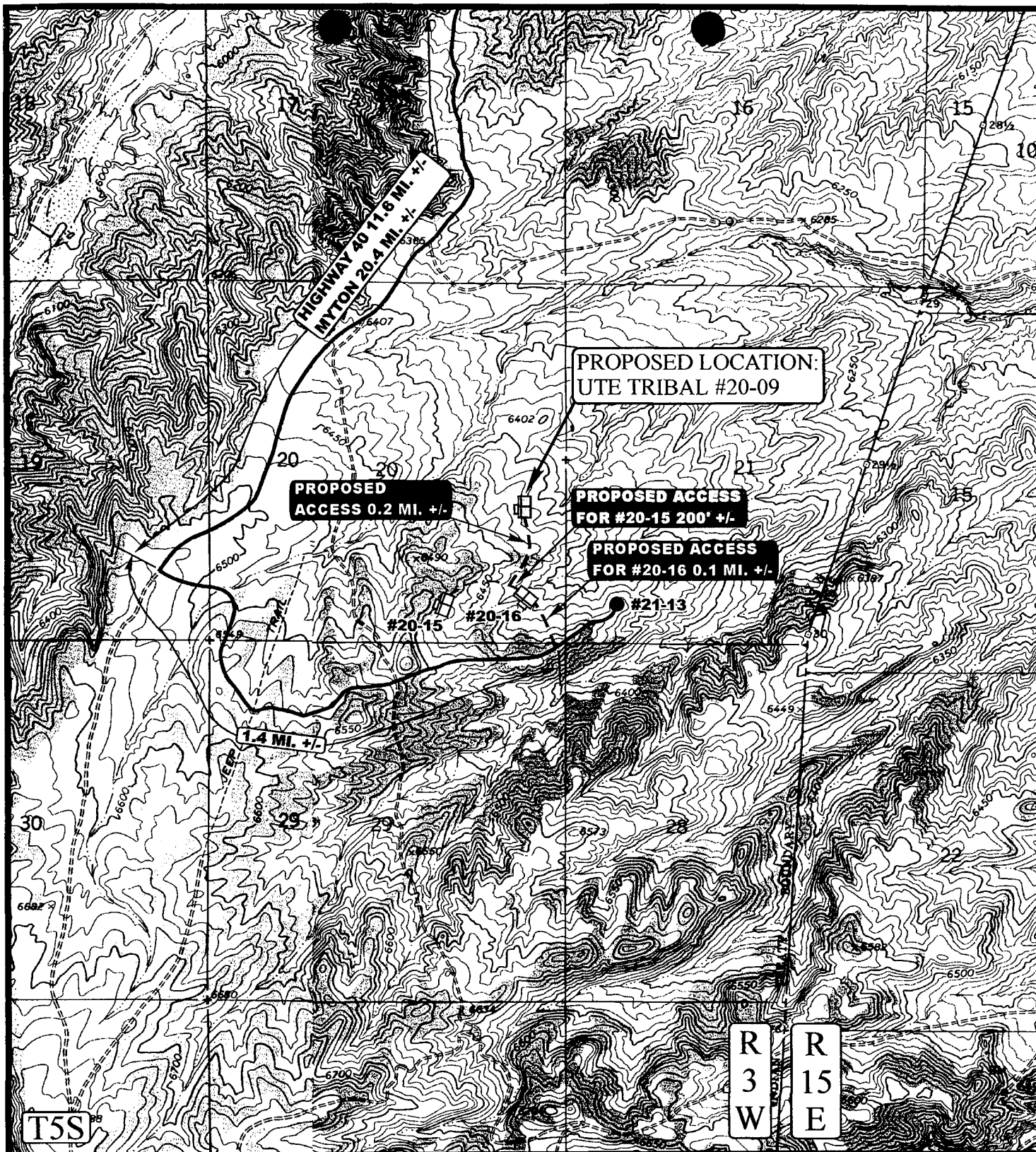


TOPOGRAPHIC
 MAP

8 25 00
 MONTH DAY YEAR

SCALE: 1 : 100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

--- PROPOSED ACCESS ROAD
 — EXISTING ROAD



PETROGLYPH ENERGY, INC.

UTE TRIBAL #20-09
 SECTION 20, T5S, R3W, U.S.B.&M.
 1985' FSL 655' FEL



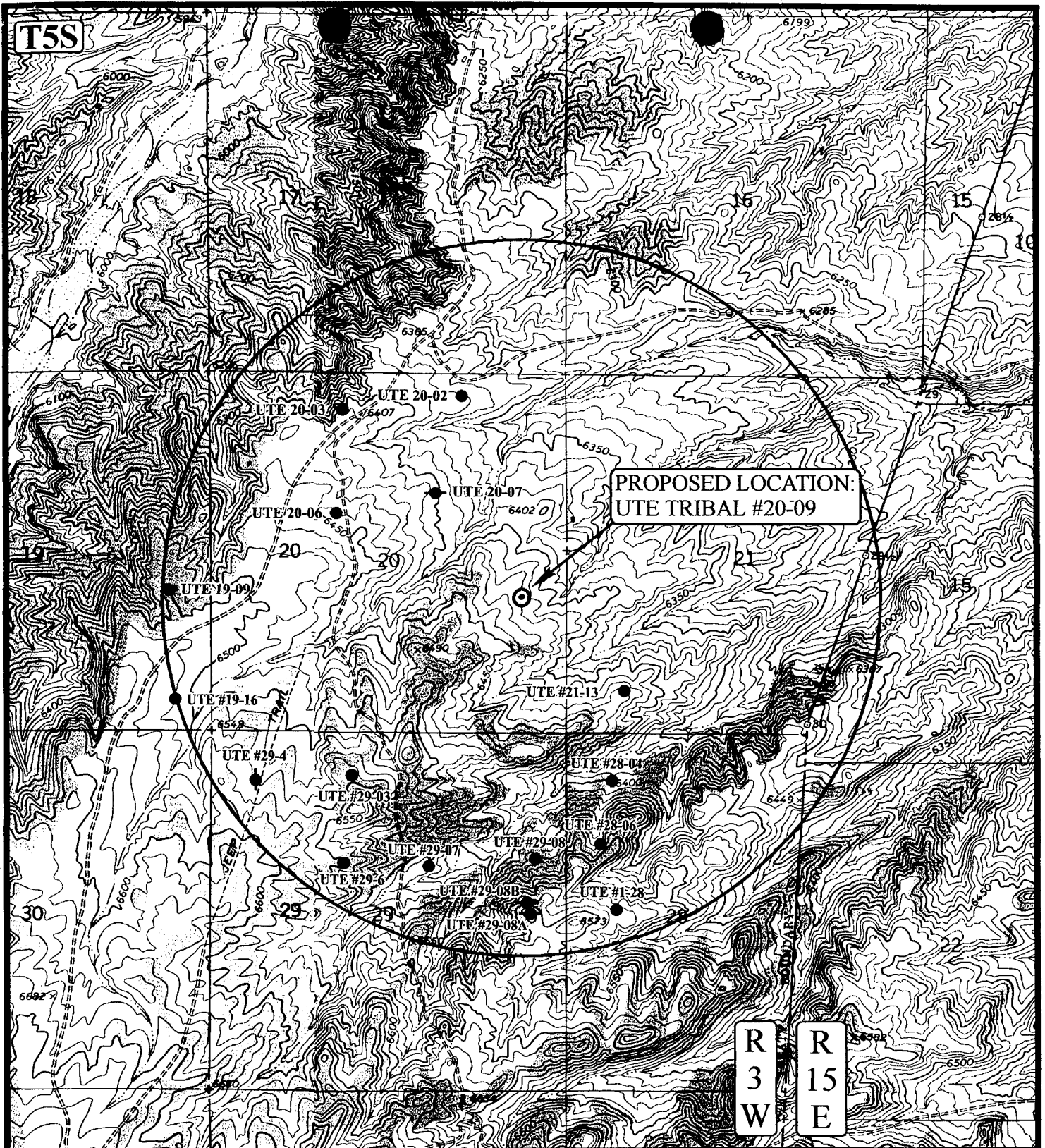
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

8 25 00
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

B
 TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

PETROGLYPH ENERGY, INC.

UTE TRIBAL #20-09

SECTION 20, T5S, R3W, U.S.B.&M.

1985' FSL 655' FEL

**U
E
L
S**

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



**TOPOGRAPHIC
MAP**

8 25 00
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

**C
TOPO**

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/28/2000

API NO. ASSIGNED: 43-013-32195

WELL NAME: UTE TRIBAL 20-09

OPERATOR: PETROGLYPH ENERGY INC (N1425)

CONTACT: ED TROTTER, AGENT

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NESE 20 050S 030W

SURFACE: 1985 FSL 0655 FEL

BOTTOM: 1985 FSL 0655 FEL

DUCHESNE

NATURAL BUTTES (630)

LEASE TYPE: 2-Indian

LEASE NUMBER: 14-20-H62-3515

SURFACE OWNER: 2-Indian

PROPOSED FORMATION: DGCRK

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

RECEIVED AND/OR REVIEWED:

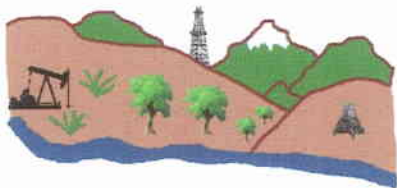
☒ Plat
☒ Bond: Fed[] Ind[2] Sta[] Fee[]
(No. 80 4556)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190 - 5 (B)
☒ Water Permit
(No. 43-10152)
☒ RDCC Review (Y/N)
(Date: _____)
N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

____ R649-2-3. Unit Antelope Creek
____ R649-3-2. General
Siting: _____
____ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 214-2 #Unit's Enh. Rec.
Eff Date: 6-9-2000
Siting: _____
____ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: ① FEDERAL APPROVAL



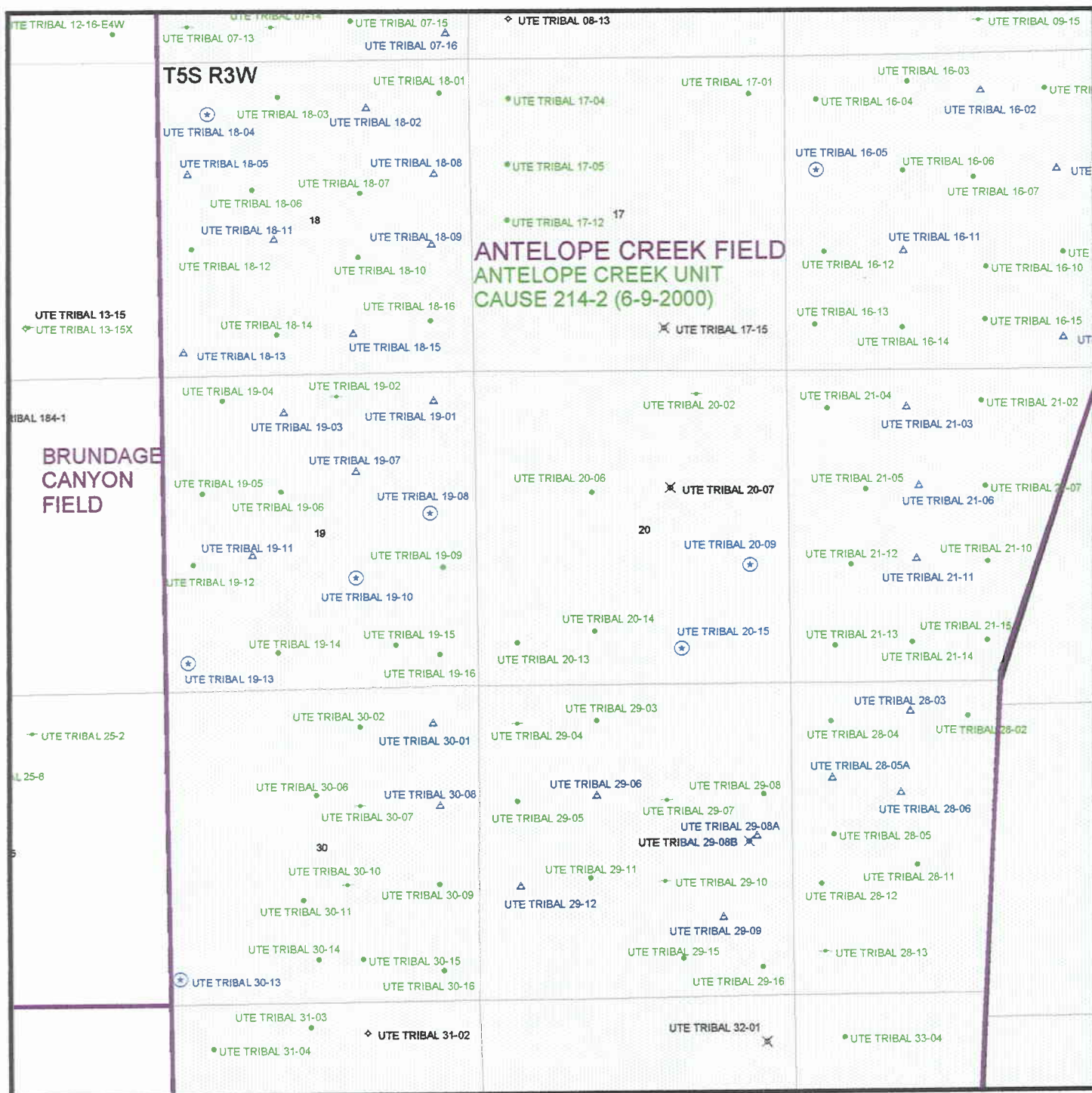
Utah Oil Gas and Mining

OPERATOR: PETROGLYPH ENERGY INC (N1425)

FIELD: ANTELOPE CREEK (060)

SEC. 20, T5S, R3W,

COUNTY: DUCHESNE UNIT: ANTELOPE CREEK
CAUSE: 214-2



PREPARED BY: LCORDOVA
DATE: 29-SEPTEMBER-2000



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 2, 2000

Petroglyph Energy, Inc.
PO Box 607
Roosevelt, UT 84066

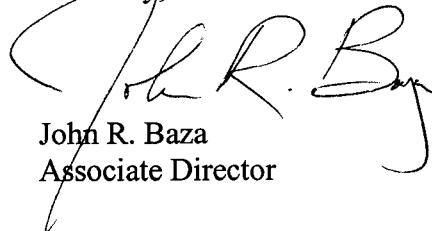
Re: Ute Tribal 20-09 Well, 1985' FSL, 655' FEL, NE SE, Sec. 20, T. 5 South, R. 3 West,
Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-32195.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Petroglyph Energy, Inc.
Well Name & Number Ute Tribal 20-09
API Number: 43-013-32195
Lease: 14-20-H62-3515

Location: NE SE **Sec.** 20 **T.** 5 South **R.** 3 West

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐

DEEPEEN ☐

b. TYPE OF WELL

Oil ☐

Gas ☐

Single ☐

Multiple ☐

Well ☐

Well ☐

Other ☐

Zone ☐

Zone ☐

2. Name of Operator

PETROGLYPH ENERGY, INC.

3. Address and Telephone Number

P.O. BOX 607, ROOSEVELT, UT 84066 (435) 722-2531

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

1985' FSL & 655' FEL NE/SE

At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office

21.9 MILES SOUTHWEST OF MYTON, UTAH

15. Distance from proposed location to nearest property or lease line, ft.

655'

(Also to nearest drig. Unit line, if any)

16. No. of acres in lease

640

18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.

19. Proposed depth

6212'

21. Elevations (show whether DF, RT, GR, etc.)

6203 FEET GRADED GROUND

5. Lease designation and serial number

BIA-14-20-H62-3515

6. If Indian, Allottee or Tribe name

UTE TRIBAL LAND

7. Unit Agreement Name

8. Farm or lease name, well no.

UTE TRIBAL

9. API Well No.

UT 20-09

10. Field and pool, or wildcat

ANTELOPE CREEK

11. Sec., T., R., M., or BLK. and survey or area

SEC. 20, T5S, R3W

12. County or parish

UINTAH

13. State

UTAH

17. No. of acres assigned to this well

40

20. Rotary or cable tools

ROTARY

22. Approx. date work will start

OCTOBER 2000

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|------------------------------|
| 12 1/4" | 8 5/8" | 24# | 250' | 135 SX CLASS "G" + 2% |
| | | | | CaCl2 + 1/4 #/SX CELLOFLAKE. |
| 7 7/8" | 5 1/2" | 15.50# | 6212' | 50/50 POXMIX + 2% GEL + 10% |

SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS).
LIGHT CEMENT (11PPG+) +
LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).

SEE ATTACHMENTS FOR:

8 POINT PLAN

BOP SCHEMATIC

SURFACE USE AND OPERATING PLAN

LOCATION PLAT

LOCATION LAYOUT

TOPOGRAPHIC MAPS "A", "B", C AND "D"

PETROGLYPH ENERGY, INC. WILL BE THE

DESIGNATED OPERATOR OF THE SURFACE WELL
UNDER BOND #BO 4556.

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

BUREAU OF INDIAN AFFAIRS, FORT DUCHESNE, UTAH

NOV 14 2000

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed deepening zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. On the block or quarter program, if any.

SIGNED

[Signature]

TITLE Agent

DATE

9-14-2000

(This space for Federal or State office use)

PERMIT TO

NOTICE OF APPROVAL

Application approval does not warrant or certify that the applicant holds legal or mineral rights in the subject lands which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL IF ANY:

CONDITIONS OF APPROVAL ATTACHED

Assistant Field Manager

APPROVED BY

[Signature]

TITLE

Mineral Resources

DATE

11/7/00

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Petroglyph Operating Company Inc.

Well Name & Number: Ute Tribal 20-09

API Number: 43-013-32195

Lease Number: 14-20-H62-3515

Location: NESE Sec. 20 T.05S R. 03W

Agreement: 14-20-H62-4650

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

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DIVISION OF
OIL, GAS AND MINING

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 490 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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NOV 14 2000

DIVISION OF
OIL, GAS AND MINING

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

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DIVISION OF
OIL, GAS AND MINING

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

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NOV 14 2000

DIVISION OF
OIL, GAS AND MINING

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, contact one of the following individuals:

Ed Forsman (435) 789-7077 (HOME) (435) 646-1685 (PAGER)
Petroleum Engineer

Jerry Kenczka (435) 781-1190
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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NOV 14 2000

DIVISION OF
OIL, GAS AND MINING

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

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DIVISION OF
OIL, GAS AND MINING

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

75 foot wide right-of-ways shall be granted for the project. Upon separation of the pipeline corridor and the proposed access road, the roadway shall have a 30 foot wide corridor.

The Ute Tribe Energy and Mineral Department is to be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office days are Monday through Thursday. A Tribal Technician is to routinely monitor construction. For all monitoring that is to exceed Tribal Technician regular working hours, Petroglyph Operating shall make arrangements with the Ute Energy and Minerals Department.

Production water shall not be used to wet down roads for dust control.

For any deviations of submitted APD's and ROW applications, Petroglyph Operating Co. will notify the Ute Tribe and Bureau of Indian Affairs in writing and will receive written authorization of such changes. Without authorization, Petroglyph Operating Co. understands they will be subject to fines and penalties.

Petroglyph will assure the Ute Tribe that any/all contractors and subcontractors have acquired a 2000 Tribal Business License and have "Year 2000 Access Permits" prior to construction. Contractors and subcontractors will have these permits in vehicles at all times.

All Petroglyph Operating employees and/or authorized personnel (subcontractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.

Petroglyph will implement "Safety and Emergency Plan." Petroglyph will ensure its compliance.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined and approved, and to the existing roadways and/or evaluated access routes.

All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

The personnel from the Ute Tribe Energy & Mineral Department shall be consulted if cultural remains (including paleontology fossils) from subsurface deposits are exposed or identified during construction. All construction will cease. Prior to commencing construction in the area where cultural resources are exposed the operator must obtain authorization from the BIA and the Ute Tribal Department of Cultural Rights and Protection.

Upon completion of construction of the rights-of-way, Petroglyph Operating will notify the Ute Tribe Energy & Minerals Resources Department. This will be done so that a Tribal Technician can verify Affidavit of Completions.

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OIL, GAS AND MINING

Before the site is abandoned, the company will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Soil erosion will be mitigated by reseeding all disturbed areas.

Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the pits are backfilled, the surplus oil and mud etc. will be buried a minimum depth of 3.0 feet below the surface of the soil.

A closed production system will be used. Production fluids will be contained in leak proof tanks. Low profile tanks may be used to minimize problems with irrigation systems. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Although the access road right of way is 30 feet wide, access roads shall have constructed travel width limited to 18 feet, except as granted for sharp curves or intersections or where deep cuts and fills are required for road construction.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation without site specific authorization from BIA.

Where surface pipelines do not parallel roads but cross country between stations. The line shall either be welded in place at a welding station located at the wellsite or on roads near the flowline right of way and then dragged into place with a suitable piece of equipment so it will not destroy the natural vegetation. If the flowline doesn't follow existing and APD proposed new access roads then traffic shall be restricted along pipeline ROWs so that they will not be used as an access road.

Buried flowlines shall be a minimum of three feet below the surface. After the construction of the pipeline is completed the disturbed area of the ROW shall be contoured to blend into the natural landscape, and it shall be reseeded with desirable vegetation. Between September 15 and November 1 of the year following pipeline construction of the buried line all disturbed areas shall be reseeded with perennial vegetation according to BIA, or to Ute Tribe specifications.

Petroglyph Operating employees, representatives, and subcontractors shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

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DIVISION OF
OIL, GAS AND MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

November 20, 2001

Petroglyph Energy, Inc.
P. O. Box 607
Roosevelt, Utah 84066

Re: Notification of Expiration
Well No. Ute Tribal 20-09
NESE, Sec. 20, T5S, R3W
Duchesne County, Utah
Lease No. 14-20-H62-3515

Gentlemen:

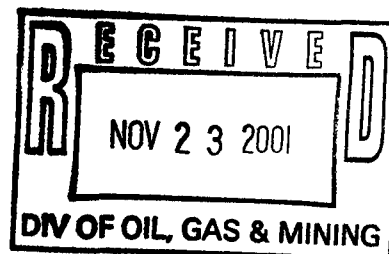
The Application for Permit to Drill the above-referenced well was approved on November 7, 2000. Since that date no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker
Legal Instruments Examiner

cc: State Div. OG&M



WELL ACTIVITY

SEARCH KEYS (Enter desired keys and press 'Enter' or click on 'Search')

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| API NUMBER | <input type="text"/> | WELL NAME | <input type="text"/> |
| OPERATOR ACCOUNT | <input type="text" value="N1425"/> | WELL STATUS/TYPE | <input type="text"/> <input type="text"/> |
| FIELD NUMBER | <input type="text"/> | ENTITY NUMBER | <input type="text"/> |
| SECTION / TOWNSHIP / RANGE / MERIDIAN | | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | |


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GET ALL WELLS

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WELL ACTIVITY



The 'pre' button is located in the 'Find' dialog box, next to the 'Find what' text field. It is represented by a magnifying glass icon over the word 'pre'.


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N1425



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GET ALL WELLS

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UTM COORDS

INTERNET EXPLORER

ACROBAT READER

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QUICK PLAY

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ACDS TRIA

NETSCAPE COMMUN...

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OIL&GAS

RBDMSX 2005

MAIL FROM: CAROLYN WILLIAMS

FILE EDIT VIEW ACTIONS TOOLS WINDOW HELP

From: Carolyn Williams

CC:

Tp: Cordova, Lisha; Staley, Don; Thom(...)

Subject: PETROGLYPH

Message:

When I printed the February turnaround one of Petroglyphs wells came out under N1425. I also found several in the system that are drilling and APD status.

I talked with Mike at Petroglyph and he said that all the wells should be under N3800. Petroglyph Energy Inc N1425 is the public part of the company but all the wells are operated under Petroglyph Operating Co and he wants all the wells under the same account number.

**010314 updated & called op. APD's should be submitted under correct name. LC*

Close

Reply

Forward

Delete

DATE: 3/12/01 9:36AM

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5:27 PM



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 3, 2001

Mike Safford
Petroglyph Energy Inc.
P. O. Box 607
Roosevelt, Utah 84066

Re: APD Rescinded - Ute Tribal 20-09, Sec. 20, T5S, R3W, API 43-013-32195
APD Rescinded - Ute Tribal 20-15, Sec. 20, T5S, R3W, API 43-013-32196
APD Rescinded - Ute Tribal 20-16, Sec. 20, T5S, R3W, API 43-013-32197
Duchesne County, Utah

Dear Mr. Safford:

The Application's for Permit to Drill (APD's) for the subject wells were approved by the Division of Oil, Gas and Mining (the Division) in October, 2000. No drilling activity at these locations have been reported to the Division.

By letter dated November 20, 2001, the Bureau of Land Management (BLM) notified the Division that the APD's filed with the BLM expired November 7, 2001. Therefore, approval to drill the wells is hereby rescinded, effective November 20, 2001, date of BLM rescind letter.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Lisha Cordova
Eng. Technician

cc: Well File(s)
Bureau of Land Management, Vernal